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Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development

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Report of the Secretary-General

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Summary

Accelerated rural development is essential to achieve the internationally agreed development goals, including the millennium development goals. The present report provides policy recommendations on ways to promote an integrated approach to rural development, encompassing the economic, social and environmental dimensions, with a number of mutually reinforcing policies and programmes that address a broad range of issues related to rural development.

I. Introduction

1. Three quarters of the world's poor live in rural areas of developing countries and depend mainly on agriculture and related activities for their livelihood. In 2025, when the majority of the world population is expected to be urban, 60 per cent of poverty will still be rural.[1] Thus, the millennium development goals of halving the proportion of people living on less than a dollar a day and the proportion of those who suffer from hunger by 2015 cannot be achieved unless rural poverty is urgently reduced.

2. Moreover, attaining the other goals will not be possible without significant increases in rural incomes and opportunities and significant improvements in rural health, education and social services. Eradicating rural poverty in a sustained way requires the sustainable use of the resources on which the community depends — land, water, forests and access to markets that increase the income and earning opportunities of the rural poor. Rural populations also play a critical role in managing and conserving the world's natural resources, including its biodiversity.

3. The major United Nations conferences and summits and their reviews, particularly the Millennium Summit, the World Summit on Sustainable Development, the five-year review of the World Food Summit, the International Conference on Financing for Development, and the Third United Nations Conference on the Least Developed Countries, have addressed rural development from perspectives that were related to their core themes. The initiatives of the Secretary-General in the context of the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation)[2] provides impetus to action in the five key thematic areas — water, energy, health, agriculture, and biodiversity — reaching out to all major stakeholders in sectors vital for rural development. As increasing focus is placed on integrated implementation of conference outcomes, the Economic and Social Council has an opportunity to consider how rural development, as an issue relevant to the implementation of outcomes of many United Nations conferences, can contribute to achieving the internationally agreed development goals, including the millennium development goals.

4. Building on the outcome of the major United Nations conferences and summits, discussions within the Council can help to make rural development a priority and bridge the gaps and different perspectives that exist in the approaches. Such discussions can also determine how the United Nations system can promote rural development, taking into account regional and national specificities. Given the great differences between regions, countries and often within a country itself, there are limitations to generic guidance. It may be more effective to focus on the geographical and substantive components and identify key points of leverage that would help overcome the main obstacles in each specific context. Nevertheless, sharing successful national experiences and models of integrated rural development that have worked can enrich the policy choices.

II. Integrated approach to rural development for poverty eradication and sustainable development

5. The development community has long recognized the need for holistic approaches to the development of rural areas, though efforts in the 1970s and 1980s largely subscribed to a "one-size-fits-all" approach, which at the core was a top-down provision of basic minimum needs to the poor. In the late 1980s and 1990s, it became clear that through a more inclusive and targeted rural development approach, the rural poor could be empowered to spur development. The importance of local ownership was recognized, as well as the effectiveness of a more people-centred and multi-stakeholder approach.

6. Learning from past lessons, the new approach to integrated rural development should be based on a territorial rather than a sectoral logic, emphasizing location-specific synergies between different sectors. Specific characteristics of each rural space must be taken into account. The economic, social and environmental characteristics of that space and its vertical and horizontal linkages have to become the policy arena for the sustained and sustainable eradication of rural poverty. Interventions based on location exhibit a multidimensional and multisectoral character, which is required to address this persistent form of poverty.

7. The new approach also requires horizontal and vertical integration and partnerships. Horizontal and vertical integration are needed to bring together the economic, social and environmental dimensions of rural development and foster collaboration between local actors (such as community associations, private sector organizations, local authorities, non-governmental organizations and civil society organizations). Partnerships are required to integrate the rural economy into the national economy and international trade and financing system and link local actors with higher levels of Government, donors and the private sector. Horizontal alliances would enable local priorities to be established through a participatory planning process and implemented at local levels. Vertical partnerships should serve to share financial responsibilities, establish overall priorities and guiding rules, and strengthen monitoring and evaluation.

8. Effective rural development approaches must also respond to persistent inequality of access to various types of assets, especially by women, indigenous peoples and other vulnerable groups. Reform of land ownership rights and other natural assets is often the basis for establishing an environment in which the development of rural areas will be widespread. Moreover, rural development cannot be achieved without explicit recognition of the significant contribution of rural women to food and agricultural production and their crucial role in ensuring food security and well-being for households. Increasing poverty among rural women is due to their limited access to and control over productive resources (land, water), services (such as extension, training and credit) and markets, as well as their limited participation in decision-making.

III. Elements of an integrated approach to rural development

9. The key economic, social and environmental elements of an integrated approach to rural development are analysed below.

A. Strengthening the rural economy

1. Establishing an Enabling Environment

10. Governments play a key role in developing a policy environment conducive to rural development. The multifaceted and complex nature of interventions is elaborated in the sections below. The present section looks at issues beyond the national domain that have a profound influence on national efforts and emphasizes the case for enhanced international cooperation in addressing macroeconomic and trade-related issues of relevance for rural and agricultural development. The issue is not only the adequacy, in terms of both volume and effectiveness, of development assistance, especially for the productive sectors, and debt relief. It is also a matter of the coherence of the development cooperation policies and the national macroeconomic, sectoral (agricultural), trade and financial policies of the developed countries.

11. Official development assistance (ODA) is an important means for developing countries, particularly the least developed countries, to augment public investments in rural areas. The need to reverse the decline in ODA flows has been increasingly accepted among donors, reflecting a renewed confidence that ODA can be an effective use of public monies and that shared development goals warrant additional donor expenditure. While recent ODA commitments made in the context of the International Conference on Financing for Development are encouraging, they have hardly begun to appear in net ODA disbursements. From 1990 to 2000, net ODA provided to least developed countries dropped by 46 per cent. Many developing country Governments have also reduced support to the agricultural sector. Although it is an important means to mobilize resources for poverty eradication in rural areas, current debt relief provided for the least developed countries is insufficient to ensure long-term debt relief. The slow progress towards a successful conclusion of the Heavily Indebted Poor Countries Initiative (HIPC) is a matter of concern. A reversal of the decline in the proportion of ODA going to rural areas and agriculture is vital for strengthening the rural economy, especially in the least developed countries.

12. With ongoing efforts aiming to liberalize trade in agriculture through the new round of multilateral trade negotiations (the "development round") of the World Trade Organization (WTO), the international community has a chance to create new opportunities for the rural poor to prosper by pursuing broadened economic integration. The negotiations, which emphasize the liberalization of trade in agricultural and non-agricultural products, could unleash the potential for global markets to deliver the promise of development in rural areas. Such an achievement must go hand-in-hand, however, with targeted aid that empowers rural communities to benefit from this process.

13. The situation in international commodity markets has significant impacts on rural poverty. Low prices cause severe hardships for producers, in particular the poorest ones among them, including women producers. Subsidies in developed countries are among the main causes of low prices, which affect both export-oriented producers and producers targeting local markets. Poor farmers in developing countries do not have much of a chance to grow out of poverty if rich farmers continue to be subsidized on a massive scale by developed countries. Agricultural subsidies in developed countries are currently estimated at $300 billion annually. Reduction of the support provided to the agricultural sector in developed

countries could make a crucial contribution for achieving rural development and alleviating rural poverty in developing countries.

14. Improving the efficiency and quality of production and diversifying into high value added items require the provision of necessary support services. Many developing countries are increasingly unable to provide these services owing to budgetary, institutional and technical constraints. Even when the services are available, small farmers are at a disadvantage in accessing them. Assistance in diversifying into higher-valued products and in filling such gaps in local support systems as the provision of information, technical advice and quality control is crucially important.

15. Barriers to market access, including tariff peaks and tariff escalation, restrict markets for exports from developing countries. Other government regulations such as those implemented under agreements on Sanitary and Phytosanitary Measures, Technical Barriers to Trade and Trade-related Aspects of Intellectual Property Rights also create difficulties for entering important markets. In addition, importing firms impose quality and other requirements. Those are often as important as government regulations. Effective market entry can only be realized by satisfying all the requirements. For example, investments are necessary to understand and comply with the various requirements, both government and private, but the rural poor do not have the means to undertake such investments. Moreover, modern commodity markets, which increasingly concentrate on large-scale importing, require small producers not only to meet and ensure quality and other requirements, but also to be organized to provide a steady supply of the necessary quantities of the product. Regardless of the price situation, successful participation in international value chains calls for the empowerment of the suppliers. Assistance is necessary to enable the producers, particularly the smaller ones, to undertake the investments required for market entry.

16. The flow of foreign direct investment (FDI), which increased significantly to developing countries during the last decade but has declined more recently, remains highly uneven and is directed mainly outside the agricultural sector. Effective policy reform programmes are needed to create an enabling environment that encourages private sector investment in rural areas, promoting farming, marketing, processing and input supply. Private sector investment in agricultural research rose during the 1990s, but this occurred predominantly in the developed countries. The overall result has been to reduce the total volume of resources flowing to rural development.

Box 1. Enabling environment

At the brainstorming meeting of the Economic and Social Council on 24 March, participants noted that the Council had an important role to play in promoting policy coherence at the international level and ensuring the links between various international processes, conventions and programmes. The need for pro-agriculture policies was stressed, covering the entire range of policies, including trade, exchange rate, fiscal and credit. It was also suggested that the Council could give political impetus to Doha process on trade in agriculture and identify key entry points for promoting a bottom-up integrated approach with the participation of the rural poor.

2. Improving agricultural production and food and nutrition security

17. Agriculture plays a central role in the overall economic growth of most developing countries. By the late 1990s, on average, more than 75 per cent of the labour force in the least developed countries and other low-income countries was engaged in the agricultural sector and about 35 per cent in other developing countries. Agriculture is an important source of employment and income, with implications for other sectors of the economy. Raising agricultural productivity is important for reducing poverty and promoting food security and nutritional well-being.

18. The smallholder sector forms the backbone of agriculture in most low-income countries, especially with regard to food production. Smallholders, especially women farmers, have considerable knowledge of their local environment and are effective entrepreneurs who have shown the capacity in many different country circumstances to respond rationally to the incentives and risks that they face. Thus, by creating the appropriate enabling conditions, the underutilized capacity of smallholder farmers can be harnessed to increase the pace of rural development and poverty reduction as well as contribute to aggregate food and cash crop production.

19. Emphasis needs to be placed on practical ways of increasing agricultural and food production in a way that promotes food security and nutrition improvement, taking into account the specific economic status and characteristics of each country. For the least developed countries, augmenting staple production merits particular emphasis, since in the early stages of development, cultivation of staple foods and/or off-farm employment provides most of the income of the poor. More broadly, in developing countries, efforts should be focused on increasing agricultural diversification and productivity and on supporting competitiveness and the production of high-value crops. Safe and healthy working and living conditions for agricultural workers also contribute significantly to agricultural productivity and enhance food security.

20. Improving the efficiency and quality of production and diversifying into high value added items require the provision of necessary support services. Integration of research, extension, credit and marketing services is required for rural development. Experience indicates that a thorough reorganization and integration of rural support services is needed, using modern means of communication and training in order to enable rural populations to take advantage of the opportunities offered by the increasing globalization of trade and information flows. The integration of such services would also imply better coordination between government, non-governmental organization and private-sector initiatives.

21. Infrastructure support is pivotal for promoting improved market access, as well as for increases in both farm and non-farm productivity in rural areas. Public investment in physical infrastructure, especially transportation, electricity, information and communication networks, needs to be increased. Marketing and transportation facilities (such as storage) may also help overcome the geographical disadvantages faced by landlocked populations. Priority must be given to rehabilitating existing rural infrastructure and to fostering local responsibility for its maintenance and management. Urban-rural infrastructure gaps need to be addressed in many developing countries.

22. Access to financial services can help the rural poor reduce their vulnerability and widen their economic opportunities through small productive investments, enabling them to build assets over time. Empowerment of local communities and clients (especially women) is an important outcome of microfinance interventions. By increasing women's control over household budgets and assets, microfinance services have often helped to increase their authority in household decisions and broaden their social and political influence. The Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 refers to microcredit as a relevant and powerful engine for employment creation, poverty eradication and reduction of gender inequality. While the successes of microcredit are well recognized, the provision of safe and flexible savings products, secure transfer and remittance facilities, and insurance services are often as important as access to loans. Further, in rural areas there is a need to expand lending beyond microcredit to meet the needs of the agricultural cycle and for small transformation activities/equipment.

23. To guarantee food and nutrition security, hunger must be confronted more effectively as part of a broader effort to address insecurity caused by chronic poverty, capability failures, social exclusion and marginalization, exacerbated by natural disaster and conflict. Moreover, such a strategy also needs to extend from short-term humanitarian problems to the longer-term aim of eradicating hunger and malnutrition.

24. Capacity- and institution-building in the area of food safety and quality should be important elements in rural development planning. Encouraging food-processing/handling activities at the rural level can directly serve to promote food security goals by ensuring prolonged availability of seasonal crops and encouraging dietary diversification, and can create employment and opportunities for income-generation. Factors to be considered are access to food control services, food legislation and rural infrastructure.

25. Broad efforts to achieve food security must take into account the status, employment and livelihoods of groups that are currently disadvantaged, such as women, who often maintain household food security in unpaid food production.

3. Non-farm activities and incomes

26. Non-farm activities, which usually grow faster than farm production, will play an increasingly important role in expanding rural employment and income and in reducing poverty. Diversification towards rural non-farm activities is crucial. The promotion of decentralized industrial development patterns can stem rural-urban migration, bring employment opportunities to rural areas and reduce regional income disparities, building equity concerns into the structure and growth pattern of the economy. Therefore, emphasis needs to be placed on strengthening productive capacities through microenterprises and small and medium-sized enterprises (SMEs), a process in which women in rural areas play a major role. The capital requirements of such non-farm sources for generating income are quite low, and these activities help to stabilize household income during crises such as droughts and floods. The main challenge is to stimulate income-generating productive capacities with a view to creating sustainable local markets.

4. Rural-urban link

27. Owing to the economic, demographic and environmental complementarities between rural and urban areas, there is a need to promote approaches that build on rural-urban linkages. Rural-urban migration may reduce population pressure in the rural areas. However, disparities between urban and rural areas in terms of income and employment and the availability of basic infrastructure and services persist. Since urban areas offer more and better opportunities for socio-economic mobility of the poor, rural-urban migration will continue. A major effort is required to ensure that urban areas can absorb the growing urban population and that urbanization will not result in an urbanization of poverty. It is important to spread the benefits associated with urbanization to all parts of the national territory, including through facilitating better access to physical and economic infrastructure and services.

28. Building on the rural-urban linkages for the benefit of all requires not only capacity-building, but also changes in the nature of the rural-urban relationship and the development of a more balanced relationship, which currently very much favours the urban areas. Small and medium-sized towns can play an important role in the urbanization process by serving as nodes of regional growth and absorbing rural-urban migrants. By serving as regional hubs, small towns could also contribute to the development of the rural areas and reduce the pressures of rural-urban migration to large cities. Studies of rural-urban linkages indicate that the nature of the linkages differs from one place to another and for different sectors in the same place.

B. Social development

29. While economic growth is necessary for rural development, it is not enough to reduce poverty and hunger. That depends greatly on access to employment, education and health and social services, as well as on the existence of effective water and sanitation systems.

1. Access to education, health and social services, and protection

30. Strengthening human capital is key to long-term development. Foundations for longer-term poverty reduction are built by increasing access to, reducing disparities in and improving the quality of health, water and sanitation, nutrition and education in rural areas. The ministerial declaration of the high-level segment of the substantive session of the Economic and Social Council for the year 2002 contains recommendations regarding the issue of human resources development, particularly health and education, which are especially relevant in the context of rural development.

31. Sustainable agriculture depends on a healthy workforce. Lack of access to basic health care and social safety nets means that an illness, disability or death drives rural families further into poverty. Specific measures are needed to improve rural health services, reduce maternal and infant mortality rates and address the human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) pandemic, as well as reduce the incidence of malaria and tuberculosis among rural populations. Better access to reproductive health services, information and population education should be part of an integrated approach to rural development, taking into consideration sociocultural, gender and human rights. Public-private

partnerships need to be explored to strengthen social service provision in rural areas. Investments in education and health systems should be designed to complement each other, with a cumulative impact aimed at raising the productive capacity and well-being of the rural population.

32. Education is also an essential tool for reducing poverty. Education programmes would also help the poor to articulate their needs on public policies that affect development planning and, therefore, have an impact on their lives and livelihoods. Lack of women's access to education is a serious impediment to rural development, as investment in girls' education offers one way to achieve greater synergy among sectoral interventions.

2. Human immunodeficiency virus/acquired immunodeficiency syndrome

33. The HIV/AIDS pandemic is a development crisis that threatens the social and economic fabric and the political stability of developing nations. Although HIV/AIDS is often thought of and dealt with as a primarily urban issue, the vast majority of people living with and affected by the pandemic live in rural areas. AIDS has killed more than 7 million agricultural workers in 25 countries of Africa and could kill an additional 16 million (up to 26 per cent of the agricultural labour force) in sub-Saharan Africa by 2020. Farming skills are being lost, agricultural development efforts are declining, rural livelihoods are disintegrating, productive capacity to work on land is dropping and earnings are shrinking. Moreover, the disease burden also reverses development gains as its costs weigh heavily on community members, especially women, who comprise 45 per cent of those who are living with HIV/AIDS globally. Rural communities suffer further setbacks in other areas such as food production, education and governance.

34. The agricultural sector, which is vital for rural households and national economies in many developing countries, is disproportionately affected by HIV/AIDS as it is highly labour intensive and has a large number of mobile or migratory workers. The negative effect of HIV/AIDS on that sector includes impoverishment of directly affected communities, erosion of its capacity through losses in human resources and disruption of its operations by severing key linkages in the production chain.

35. The critical link between HIV/AIDS and rural development presents key challenges for the international community. It is now clear that stand-alone policies and single interventions are insufficient in themselves to address HIV/AIDS and eradicate poverty. Evidence suggests that rural development efforts must be viewed through the lens of HIV/AIDS with the goal of reversing the epidemic and sustaining rural development. Similarly, efforts to respond to HIV/AIDS must also consider the root causes and consequences of poverty.

3. Employment

36. Productive employment is a major route out of poverty. Hence, it is important simultaneously to raise productivity and increase employment in agriculture and rural non-farm activities. However, employment by itself will not be sufficient; it must generate adequate incomes to provide protection against ill health and an adverse work environment, and provide for a decent living during old age. Attention should be focused on the specific concerns of agricultural and rural workers in terms of fundamental principles and rights at work, employment, social protection and

social dialogue. Efforts to raise agricultural productivity are undermined by accident and injury rates that are among the highest in any economic sector. Working conditions need to improve in concert with increasing productive capacity. Other essential steps include removing restrictions on the right of workers to organize and confronting all forms of discrimination as well as child and bonded labour.

37. Rural employment strategies need to be developed to spur off-farm employment opportunities and address seasonal fluctuations in employment. Those strategies might include exploring linkages to other forms of land use, such as forestry or small-scale mining, or other activities, such as agro-processing or local infrastructure development. Self-employment and small and medium-sized enterprises development can be promoted by providing people with access to microcredit and some basic business skills. An employment-intensive approach could well be applied to road construction and other infrastructure needs, such as those identified in the Johannesburg Plan of Implementation, notably water management, community-based irrigation projects, sanitation and rural energy provision.

38. The commercialization of agriculture and trade liberalization can create new employment and income opportunities for rural women (for example, in agro-industry), increasing their autonomy and self-esteem and expanding their choices and decision-making power within and outside of the household. However, poor working conditions, the often short-term nature of women's employment and the unequal distribution of domestic responsibilities continue to diminish the possible positive gains. Greater attention should be given to the issues related to the increase in labour mobility and migration among rural women, including forced migration, such as trafficking in women and girls, domestic services or sweatshop employment.

4. Social integration

39. Social polarization and fragmentation are increasingly common in rural communities. The social fabric is strained by competition for scarce resources, gender inequality, poorly defined property rights, the appropriation of common property resources and ethnic and religious conflicts. The development of institutions for rural people, especially the poor, to resolve their disputes in a transparent and accessible manner is key to strengthening the social fabric of rural areas.

40. There is a marked ageing of the population in rural areas because of the exodus of young adults to urban areas in search of employment. Ageing of the rural population is sometimes further accelerated by the return of older persons from urban to rural areas upon retirement or the increased mortality of young adults owing to HIV/AIDS. Rural ageing has major implications for the composition of the rural labour force, agricultural production, land tenure, social cohesion and overall rural development.

41. The Madrid International Plan of Action on Ageing (2002),[3] recognized that policies and programmes for food security and agricultural production must take into account the implications of rural ageing, particularly for older women, who are particularly economically vulnerable due to age, widowhood, gender discrimination in inheritance laws and non-remunerated work for family upkeep. The Madrid Plan addressed those issues by recommending specific actions to improve living

conditions and infrastructure in rural areas and, a priori, alleviating the marginalization of older persons.

C. Sustainable use of natural resources and protection of the environment

42. Environmental degradation is a critical issue for rural development. Deforestation, desertification and degradation of cultivated lands, in particular, have serious implications for the livelihoods of large segments of rural populations and for long-term productivity of their natural assets. Nevertheless, agricultural production itself, as currently practised in many parts of the developing world, is a major factor in accelerating land degradation and the destruction of natural resources. Agricultural expansion in Africa and Latin America, intensification in Asia and Latin America and the expansion of irrigation throughout the world have all contributed in some way to destruction of the ecosystem through soil erosion, declining soil fertility, depletion of micronutrients, waterlogging and salinization.

Box 2. Double green revolution in Africa

The Task Force on Hunger of the Millennium Project is coordinated by Pedro Sanchez, who was a panellist at the brainstorming meeting of the Economic and Social Council. The Task Force proposed three early actions using a community-based approach for a new double green revolution in Africa that is productive and environmentally sustainable:

- School lunch programme with locally produced food
- Making rural markets work for the poor
- Restoring soil fertility in farmers' fields in Africa

43. Land degradation in particular is not only a threat to the environment, but also to the food security and livelihoods of millions of people. The United Nations Environment Programme classifies about 25 per cent of global farmlands as degraded owing to human activities, with Africa and Asia accounting for more than 50 per cent of the world's degraded soils. Effective implementation of the United Nations Convention to Combat Desertification is critical for addressing land degradation and promoting sustainable management of dryland resources. In developing countries affected by desertification, support is urgently needed for those institutions capable of mobilizing the required resources. National and subregional plans to combat desertification should be implemented through an integrated approach. The establishment of water user associations should be promoted for the management and use of that scarce resource.

44. Women's roles as environmental managers and users of natural resources make them key actors in achieving sustainable development as recognized at several United Nations conferences. Policies and programmes in agriculture, water and sanitation, forestry and energy should take into account the contributions, needs and priorities of women and men. Women's relationship with the environment revolves

around their central concerns with household food security and the provision of water and fuel for family welfare.

45. In addition, humanitarian and development actors need to combine efforts and coordinate activities and funding for displaced or returning populations as well as for refugee/returnee receiving communities, most of which are situated in poorly developed rural areas. The involvement and empowerment of women at all stages of disaster management programmes should be an integral element of strategies to reduce community vulnerability to natural disasters.

1. Enhancing access to and sustainable management of productive resources — land, water and energy

46. The incentive to invest in and manage land and other natural resources sustainably can be strengthened by helping the rural poor to gain secure access to their land and other resources, including water, forest genetic resources and appropriate technology. Such access is especially important for vulnerable groups, including forest dwellers, pastoralists, indigenous peoples and women. Tensions over natural resources among diverse interest groups can also be eased by establishing and strengthening conflict resolution structures at the local level.

47. Land plays a strategic role in rural areas. Aside from its value as a productive factor, land ownership provides collateral in credit markets, security in the event of natural hazards or life contingencies, social status and, for those with large landholdings, considerable political and economic leverage. Inadequate land tenure structures are still a major obstacle to sustainable agriculture and rural development in many countries, particularly for women.

48. Land reforms are necessary for enhancing community and private sector participation in overall economic development, for the stimulation of private investment in agriculture and for the reduction of social disparities, including gender disparities. The four areas of agrarian reform that could be considered politically feasible as well as economically sustainable are (a) transforming tenancy rights, either into ownership rights for the tenant or through right of permanent tenancy; (b) redistribution of ownership of uncultivated land; (c) giving title to lands and watercourses owned by the State; and (d) community-based redistributive land reforms based on a willing-buyer willing-seller principle. In recent years, there have been considerable developments in the role of land tenure institutions, including land tenure regularization; involvement of land users and other stakeholders in land tenure regularization and planning; and regularization of user rights and the sustainable use of communal lands.

49. The failure to address land-tenure issues has led farmers into marginal areas where they at times produce illicit drug crops to survive. Alternative development interventions in areas with illicit drug crop cultivation have a direct impact on poverty alleviation by increasing food security and cash income from alternative sources and improving access to social services and markets.

50. Some 637 million rural people live in areas characterized by severe water stress and some 30 per cent of rural households lack access to safe water.[4] Drainage problems have also led to the waterlogging and salinization of cropland, which reduces productivity and yield potential. Although some 900 million people have gained access to water supplies and 985 million to sanitation over the last 10 years,

the prospect of continued progress is tempered by changing patterns of water availability that threaten the sustainability of an increasing number of rural communities. Since water interacts with nearly all sectors of the economy and water demands will continue to grow with the rise of populations and industry, the challenge is to assure that the rural poor are not excluded from water access in the future. As the primary managers of the household water supply, women are deeply affected by changes in water availability and policy.

51. The poor cannot reap the full benefits from secured farmland without water. Growing water scarcity coexists with farm water subsidies that diminish efficiency and harm the poor. Improving poor people's access to water depends partly on the redistribution of water-yielding assets and partly on incentives to use labour-intensive ways to improve water use. Appropriate water pricing and participatory water user associations can substantially enhance water use efficiency. More resources must also be allocated for reducing spillage, leakage, infiltration, evaporation and clogging.

52. According to a recent study by the Food and Agriculture Organization of the United Nations (FAO) and the World Energy Council, only 33 per cent of the rural population in developing countries today has access to electricity. In most developing countries, the majority of the rural population is dependent on traditional fuels, such as wood, dung and crop residues. Rural energy policies and programmes have been implemented in only a few countries, and the intensity of effort is still much below the scale of needs. Although wind power generation, photovoltaic cells and bioenergy conversion have advanced considerably in terms of both cost and reliability, the rural energy transition required to enhance productivity has yet to take place.

2. The role of technology and techniques

53. Sustainable agricultural technologies can be used to improve farming practices and management of natural resources. Various technologies and techniques have led to impressive achievements in a number of rural development initiatives throughout the developing world. Green and organic farming and its production techniques, which are labour-intensive but not input-intensive are showing promise for rural poverty reduction in view of the premium prices obtained for those products in evolved urban and developed country markets. Nevertheless, substantial trade barriers in developed markets exist, impeding the achievement of that potential. The successful use of sustainable technologies is, however, conditional on significant policy and institutional reforms that ensure equitable access to land, markets, credit, extension, education and infrastructure in rainfed farming areas.

54. While technology can be pivotal in reducing rural poverty and promoting rural development, technology dissemination has often focused on the better-off or "progressive" farmers, bypassing smallholders and marginalized groups living in less favoured areas, especially women. Greater attention should be given to pro-poor and gender-sensitive technologies for sustainable production in resource-poor regions. It is helpful to offer a range of technical possibilities and allow farmers to select the methods best suited to their own situations. Such demand-driven approaches have proved successful in many economic and social environments.

55. The traditional knowledge, skills and wisdom of indigenous peoples are valued resources in agricultural systems in developing countries. Traditional medicines also

help meet the health-care needs of rural populations and provide the only affordable treatment available to poor people. Forest dwellers, pastoralists and indigenous peoples living in marginal areas also contribute greatly to the sustainable management of natural resources. Their intimate knowledge of their environment is highly instrumental in preserving abundant and clean water supplies, biodiversity conservation and carbon storage. Allowing local populations to share part of the benefits of preservation increases the incentives to do so. Revitalizing their traditional knowledge systems and blending them with new and emerging technologies can be valuable, not only for raising productivity, but also for enhancing ecological sustainability. Traditional knowledge must be valued and protected from appropriation. To ensure that they benefit from technological advancement, indigenous peoples should have opportunities to define the development of new technologies. Special attention should be paid to women's traditional knowledge, ensuring that they control and share in the benefits.

56. While recognizing their great potential, a cautious approach is necessary with respect to biotechnologies, particularly in the case of genetically modified crops. Every effort must be made to ensure the biosafety of people, the food chain and the environment. More public-sector research into transgenic food staples is also needed to ensure that bioagriculture will truly promote poverty reduction.

57. Increased access is needed to modernized information and communication technology for capacity-building so farmers can be better informed about practices, prices, access to inputs and output markets. The information gap between rural and urban areas is growing, with the potential effect of widening income differences and social disparity. The use of information and communication technologies, which include wireless and radio and television, should receive priority attention when addressing the information needs of rural areas, with a view to promoting their seamless integration into the national economy. Careful coordination of the public and private sectors in cooperation with rural communities will be required to ensure success.

Box 3. Science and agriculture

Science and technology can make a difference in African agriculture, as Gordon Conway reported at the brainstorming meeting of the Economic and Social Council on 24 March. In an article published in *Science* magazine,[a] Conway cited an example that generated the following lessons:

- Farmers need access to affordable inputs, including seeds and fertilizers, and to output markets for their products
- Indigenous knowledge is important as is the accumulated knowledge of expert breeders, soil scientists and extension workers
- The cost of developing technologies is low

The need for humane, sustainable livestock production methods and the importance of local food production were also stressed.

[a] Gordon Conway and Gary Toenniessen, "Science for African food security", *Science* (21 February 2003).

D. Empowerment of the poor as a strategy for integrated rural development

58. The eradication of poverty and promotion of sustainable development are dependent on the empowerment of all stakeholders in rural communities and households. Access by the rural poor to assets, services and markets and their ability to make productive and profitable use of such assets are greatly influenced by the institutional framework, which is often biased against the rural poor, especially socially excluded groups and women. Institutions responsive to the needs of the rural poor are thus a major priority in poverty-reduction strategies and in the overall strategies for accelerated, broad-based and sustainable growth.

59. Women's empowerment is closely linked with the issue of governance, which should be inclusive and accountable. Inclusiveness requires that rural institutions be representative of both men and women and open to a wide range of interests and concerns, including those of women in poverty.

60. Capacity-building for self-organization is essential in poverty-eradication strategies. Critical factors are access to education and training and access to information and employment. Empowerment of local communities through enhanced knowledge and access to information, new skills and greater capacity to plan and manage their affairs — backed by institutional reforms, including strengthened governmental implementation processes and budgetary management — are vital to sustainable agriculture and rural development. The importance of active participation of farmers in producer associations, field schools and other local community groups involved in sustainable intensification and diversification processes has been amply demonstrated. In addition to the usual fields of agricultural education and training programmes should cover the management of farmers' associations, their interactions with public administration and the private sector, and their role in policy making and planning. More effort is required to support the development of institutions by the poor themselves to manage their assets more effectively and better meet their basic needs; and to promote mechanisms (including the self-organization of poor people) to influence the market and public policies.

61. The creation of democratic institutions of local Government and assured representation of disadvantaged groups are necessary but not sufficient conditions to ensure that the latter's interests are safeguarded. In order for the bargaining process to work in favour of the poor and vulnerable, they have to articulate needs and actively persuade and/or pressure the relevant forums to take necessary action to meet their needs. Conscious measures to encourage and strengthen institutions of civil society at the local level are essential. The decentralization of public bodies involved in rural development processes can make existing institutions more accountable to the rural poor. To enable rural poor people to influence public policies, investments and services and to ensure that rural elites do not capture most of the benefits of these social and financial assets, decentralization processes must be undertaken gradually. Adverse effects sustained by the rural poor through decentralization can be mitigated through government support for the organization and knowledge empowerment of the rural poor.

Box 4. Empowerment

At the brainstorming meeting of the Economic and Social Council, it was stressed that the effort for empowerment must be focused at the level where integration really occurs, in the lives and livelihoods of the poor and marginalized. Panellists cited examples that illustrated the importance of the demand-driven approach to rural development, including existing self-help, water user and farmer cooperative groups.

IV. Creating alliances and partnerships

62. The key issues raised above clearly demonstrate the need to take into account the multifaceted dimensions of rural development when designing and implementing interventions for poverty eradication and sustainable development in rural areas. Long-term alliances need to be built between international agencies, national organizations, civil society and the private sector at the national, regional and international levels.

63. At the national level, the State will have to continue to play an important role in rural development to assess local resources and explore ways of exploiting their potential and raising resources. State agencies will have to play a more catalytic role in facilitating coordination between related schemes of different communities. Institutional coordination, between concerned ministries and departments at the country level and between donor agencies, needs to be strengthened to facilitate an integrated approach to rural development.

64. Concrete effect needs to be given to the International Alliance against Hunger as called for at the five-year review of the World Food Summit in June 2002. Establishment of national forums comprising diverse institutions and individuals could be supported by the existing institutional framework of the Network on Rural Development and Food Security.

65. At the regional level, the establishment of the New Partnership for Africa's Development (NEPAD) represents a significant regional development that relies on a network of partnerships, within Africa and with developed countries, multilateral organizations such as the United Nations, and civil society.

66. To mobilize political will and purposeful concerted action against hunger and to give higher priority to resource mobilization for agricultural and rural areas, FAO presented an anti-hunger programme on the occasion of the five-year review of the World Food Summit. The programme proposes a twin-track approach to achieving food security by combining policy reforms and investment in sustainable agriculture and rural development with measures to ensure immediate access to food by the most needy.

67. The United Nations remains firmly committed to supporting government institutions in order to serve the interests of rural poor people. At the country level, the interests of the rural poor must be fully reflected in the common country assessment and United Nations Development Assistance Framework processes, as well as in Poverty Reduction Strategy Papers (PRSPs) by promoting direct participation of the relevant rural organizations and directly articulating key rural

development concerns. In the area of food security and HIV/AIDS, the United Nations Development Group, in consultation with United Nations country teams and resident coordinators of most affected African countries, is coordinating the preparation of a United Nations strategy.

68. Civil society, and non-governmental organizations in particular, have been active partners in poverty-reduction initiatives and in providing relief and welfare, social services and development projects. The successful implementation of many projects and programmes is attributed in large part to the involvement of non-governmental organizations that have better information about the poor from their local contacts and are able to reduce irregularities in the delivery of benefits arising from corruption in government bureaucracies. Non-governmental organizations, in partnership with the poor, could be agents in implementing strategies to support the livelihood of rural families and promote agricultural production that could assure food security and fight poverty.

69. Public-private partnerships to benefit poor farmers and the rural poor in general need to be strengthened. Recent public-private partnerships include the increasing participation of the private sector in developing agriculture and medical technology supportive of the poor. Governments could encourage businesses to engage with civil society and local communities in a wide range of social development projects, including various forms of rural development. Those partnerships, when properly conceived and well managed with transparency, clarity of roles and standards, corporate responsibility and social contribution, can play an important catalytic role in all categories of technological progress and innovation in agriculture, including land and water development; biochemical innovation (such as fertilizers and seed selection); and mechanical innovation such as wider use of agricultural machinery.

V. Conclusions and recommendations

70. **Accelerated rural development is essential to achieve the internationally agreed development goals, particularly the millennium development goals. While the main responsibility for development lies with the countries themselves, the international community has an important role to play in supporting national efforts and activities and contributing to an enabling environment for poverty eradication and sustainable development.**

71. **An integrated approach to rural development must encompass the economic, social and environmental dimensions and consist of a number of mutually reinforcing policies and programmes that address a range of issues related to rural development, but are designed to meet the specific conditions and requirements of a given country. Common elements of an integrated approach include the following:**

- **Creating an enabling macroeconomic policy environment that is conducive to poverty eradication and sustainable development in rural areas (a) by according high priority to incorporating broad integrated rural development strategies designed to reduce rural poverty into the national planning and policy framework; (b) by addressing, especially through the Doha round of trade negotiations, issues of agricultural trade and market access, reduction of trade barriers and minimization of the**

effects of commodity price fluctuations; and (c) ensuring coherence in national and donor policies with regard to development cooperation, trade, agriculture and industry with the objective of making global trade work for the rural poor, who constitute three quarters of the world poor

- Reversing the decline in the flow of domestic public resources and ODA going to rural areas and agriculture and creating conditions to attract greater private investment in the rural sector

- Promoting economic growth in developing countries by strengthening agricultural and food policies, improving agricultural productivity and fostering non-farm rural economic activities and diversification in production. Productive and remunerative on- and off-farm employment is also fundamental to achieving rural development

- Enhancing the livelihoods of rural people, starting with the rural poor; increasing the production and consumption of food and ensuring that the poor have adequate access to adequate quantities of safe, good quality food for a nutritionally adequate diet; adopting measures to ensure that the work of rural women, who continue to play a vital role in providing food security and nutrition, is recognized and valued in order to enhance their economic security, their access to and control over resources and credit schemes, services and benefits, and their empowerment

- Eliminating supply-side constraints at the national level, especially in the least developed countries (weak infrastructures and weak market intelligence) and increasing their productive capacities (increase productivity levels, upgrade products, diversify into new products and increase their overall export competitiveness). Development partners need to provide sufficient development assistance, especially for the productive sectors, and debt relief, including both bilateral and multilateral debt

- Enhancing public and private investment in rural infrastructure, preferably utilizing technology that allows maximum operation and maintenance by the users and their institutions; supporting market reform and infrastructure development to raise productivity and incomes through greater farm output and more rural farm and non-farm employment; promoting labour-intensive approaches for building and maintenance of rural infrastructure that offer new skills, employment opportunities and income for rural workers

- Increasing public investments in such areas as agricultural research and human capital development in rural areas, which do not normally attract private sector investment; increasing national and international funding earmarked for that purpose; increasing investments in the development of appropriate new technologies that are pro-poor, labour-intensive and raise on-farm and off-farm productivity

- Enhancing the access of poor rural people, especially women and smallholder farmers, to productive assets, especially land, water and other natural resources, as well as access to financial services in rural areas, including microfinance, savings and insurance facilities, and appropriate technologies for rural communities. Access to information and technology is also important to enhance their effective participation in community

management affairs and ensure that the specific needs and priorities of rural women are addressed in poverty eradication and sustainable development strategies in general, and in rural development strategies in particular

- Promoting environmentally sound and sustainable natural resource management, including by increasing the efficiency of water use in agriculture and strengthening measures to combat land degradation and desertification; integrating traditional knowledge and practices of sustainable resource use and management in the development of environmental management plans; providing economic incentives for sustainable intensification of resource-rich areas and enhancement of soil fertility in resource-poor areas; developing and promoting efficient use of sources of energy, including indigenous sources and renewable energy; assisting developing countries in providing affordable energy to rural communities

- Increasing access to social services through comprehensive national strategies to increase investments in and improve access to health, education and social services for poor people in rural and remote areas

- Addressing HIV/AIDS and rural development in an integrated manner, focused on empowerment of the poor; mainstreaming HIV/AIDS concerns into rural development planning, including poverty eradication and food security strategies, and multisectoral development activities to strengthen rural economies and social development efforts; avoiding complacency in countries with relatively low prevalence of HIV/AIDS; adopting urgent measures on an appropriate scale to avoid the onslaught of the disease

- Empowering poor people to overcome poverty by enabling them to have a larger voice in decision-making processes on resource allocation; strengthening institutions of the poor to empower poor people to determine means to improve their lives in public affairs and vis-à-vis the market; ensuring that poor rural people and their organizations participate fully in the design, development and implementation of rural development strategies and programmes; supporting or creating, at national and international levels, alliances of Governments, donors, non-governmental organizations, civil society organizations and the private sector

- Sustaining support for African countries facing multiple crises, including the HIV/AIDS pandemic, food insecurity, famine and poverty, and weak governance; integrating measures to strengthen health, education, human capital development services and public institutions into the rural development strategy; developing new, labour-saving agricultural and natural resource management technologies in order to maintain productivity in the face of a depleted work force

- Encouraging donor support of innovative approaches to the integration of emergency and development programmes to preserve livelihoods and protecting development gains in rural areas frequently affected by natural and man-made disasters and other economic shocks

- **Recognizing that poverty affects a substantial proportion of rural households, national and international poverty reduction strategies need to target rural areas and households more systematically by integrating poverty eradication and food security objectives more firmly into Poverty Reduction Strategy Papers and the common country assessments prepared within the United Nations Development Assistance Framework.**

Notes

[1] International Fund for Agricultural Development, *Rural Poverty Report 2001 — The Challenge of Ending Rural Poverty* (Oxford, United Kingdom, Oxford University Press, 2001).

[2] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[3] *Report of the Second World Assembly on Ageing, Madrid, 8-12 April 2002* (United Nations publication, Sales No. E.02.IV.4), chap. I, resolution 1, annex II.

[4] International Fund for Agricultural Development, *Rural Poverty Report 2001 — The Challenges of Ending Rural Poverty* (Oxford, United Kingdom, Oxford University Press, 2001).